

TIMOTHY D. HAUSER, Associate Solicitor  
THERESA S. GEE, Senior Trial Attorney, CA SBN 136241  
Office of the Solicitor, Plan Benefits Security Division  
United States Department of Labor  
200 Constitution Avenue, N. W., Room N-4611  
Washington, DC 20210  
Telephone: (202) 693-5588  
Facsimile: (202) 693-5610  
E-mail: [gee.theresa@dol.gov](mailto:gee.theresa@dol.gov)

Attorneys for Plaintiff ELAINE L. CHAO  
Secretary of Labor, United States Department of Labor

THE UNITED STATES DISTRICT COURT FOR THE

EASTERN DISTRICT OF CALIFORNIA

SACRAMENTO DIVISION

ELAINE L. CHAO, Secretary of Labor,	)	Case No.
United States Department of Labor,	)	CIV-S-00-0583 LKK/JFM
	)	
Plaintiff,	)	
	)	CONSENT JUDGMENT
v.	)	AS TO DEFENDANTS
	)	VICTOR L. SHADA, Jr.,
VICTOR L. SHADA, Jr., an individual; RON COSTA,	)	RON COSTA,
an individual; TERRY SMITH, an individual; TOBY	)	TERRY SMITH,
LOUDEN, an individual; RON REA, an individual;	)	TOBY LOUDEN AND
PATRICK C. McLAUGHLIN, an individual;	)	RON REA
McLAUGHLIN and ASSOCIATES, INC., a California	)	
corporation; CLAIMS BENEFIT INSURANCE	)	
ADMINISTRATORS, INC., a California corporation;	)	
and PACIFIC STATES HEALTH AND WELFARE	)	
TRUST, formerly known as TEAMSTERS	)	
MISCELLANEOUS EMPLOYEES HEALTH AND	)	
WELFARE TRUST, an employee welfare benefit plan,	)	
	)	
Defendants.	)	

This action was filed by plaintiff ELAINE L. CHAO, Secretary of Labor, UNITED STATES DEPARTMENT OF LABOR ("Secretary"), alleging that defendants Victor L. Shada, Jr., Ron Costa, Terry Smith, Toby Louden and Ron Rea (collectively "Settling

1 Defendants”) breached their fiduciary duties under Title I of the Employee Retirement  
2 Income Security Act of 1974, as amended ("ERISA"), 29 U.S.C. §§ 1001 et seq., in  
3 connection with the Pacific States Health and Welfare Trust, formerly known as the  
4 Teamsters Miscellaneous Employees Health and Welfare Trust ("Trust"), and seeking to  
5 enjoin further violations of ERISA and to obtain other equitable relief. The Trust was  
6 named as a defendant pursuant to Rule 19 of the Federal Rules of Civil Procedure so that  
7 complete relief could be granted.

8 The Settling Defendants admit that the Court has jurisdiction of this action  
9 pursuant to ERISA § 502(e)(1), 29 U.S.C. § 1132(e)(1), and that venue lies in the Eastern  
10 District of California pursuant to ERISA § 502(e)(2), 29 U.S.C. § 1132(e)(2).

11 The parties hereto have agreed that this Consent Judgment shall fully settle all  
12 claims of the Secretary against the Settling Defendants relating to the administration of the  
13 Trust, including those asserted in the Amended Complaint against the Settling Defendants.

14 The parties hereto having agreed to the entry of this Consent Judgment, and it  
15 appearing that the Court has jurisdiction over the parties and subject matter of this action  
16 and that the Court is empowered to provide the following equitable relief,

17 IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

18 1. Defendant Victor L. Shada, Jr. admits, in retrospect, that he did not at all  
19 times carefully and prudently manage the Trust, which was in violation of Title I of  
20 ERISA, 29 U.S.C. §§ 1001, et seq.

21 2. Defendant Ron Costa admits, in retrospect, that he did not at all times  
22 carefully and prudently manage the Trust, which was in violation of Title I of ERISA, 29  
23 U.S.C. §§ 1001, et seq.

24 3. Defendant Toby Loudon admits, in retrospect, that she did not at all times  
25 carefully and prudently manage the Trust, which was in violation of Title I of ERISA, 29  
26 U.S.C. §§ 1001, et seq.

1           4.       The Settling Defendants shall be permanently enjoined from acting as  
2 fiduciaries of or service providers to any trust or plan covered by ERISA.

3           5.       The Settling Defendants shall be permanently enjoined from any violations  
4 of ERISA §§ 404(a)(1) and 406(a) and (b), 29 U.S.C. §§ 1104(a)(1) and 1106(a) and (b).

5           6.       Each party hereto agrees to bear its own fees and other expenses incurred  
6 by such party in connection with any stage of this proceeding, including but not limited to  
7 attorneys' fees which may be available under the Equal Access to Justice Act, as amended.

8           7.       The Settling Defendants expressly waive any and all claims of any nature  
9 which he or she has or may have against the Secretary, the Department of Labor, or any of  
10 its officers, agents, attorneys, employees or representatives, arising out of or in connection  
11 with the allegations contained in the Amended Complaint on file in this action, any other  
12 proceedings or investigation incident thereto or based on the Equal Access to Justice Act,  
13 as amended.

14           8.       Nothing in this Consent Judgment is binding on any governmental agency  
15 other than the United States Department of Labor.

16           9.       Nothing in this Consent Judgment is binding on the rights of any person  
17 who may bring suit against the Settling Defendants in connection with the Trust.

18           10.      This Consent Judgment represents a full, final and complete judicial  
19 resolution of all claims alleged in the Amended Complaint against the Settling  
20 Defendants.

21           11.      This Court shall retain jurisdiction of this matter for purposes of enforcing  
22 this Consent Judgment.

23           12.      By signing their names to this Consent Judgment, the parties represent that  
24 they are informed and understand the effect and purpose of this Consent Judgment.

25           13.      This Consent Judgment may be executed in counterparts, each of which  
26 shall be deemed to be an original, but all of which, taken together, shall constitute one and  
27 the same instrument.  
28

1 IT IS SO ORDERED.

2  
3 Dated: August 16, 2005.

/s/Lawrence K. Karlton  
HON. LAWRENCE K. KARLTON  
United States District Court Judge

4  
5  
6  
7  
8 Entry of this Consent Judgment is hereby consented to:

9 Dated: \_August\_\_\_\_\_ \_5\_, 2005

HOWARD M. RADZELY  
Solicitor of Labor

TIMOTHY D. HAUSER  
Associate Solicitor

13 By:\_\_\_\_\_/s/\_\_\_\_\_  
14 THERESA S. GEE,  
15 Senior Trial Attorney  
16 Attorneys for Plaintiff  
17 ELAINE L. CHAO, Secretary of Labor,  
18 U.S. DEPARTMENT OF LABOR

19 Dated: \_\_\_March\_\_\_\_\_ \_23\_, 2005

\_\_\_\_\_/s/\_\_\_\_\_  
VICTOR L. SHADA, Jr.

21  
22  
23 Dated: \_\_\_March\_\_\_\_\_ \_24\_, 2005

\_\_\_\_\_/s/\_\_\_\_\_  
RON COSTA

24  
25  
26  
27 Dated: \_\_\_March\_\_\_\_\_ \_23\_, 2005

\_\_\_\_\_/s/\_\_\_\_\_  
TOBY LOUDEN

1 Dated: \_\_\_\_April \_\_\_\_ 13, 2005

\_\_\_\_\_/s/\_\_\_\_\_  
TERRY SMITH

2  
3  
4  
5 Dated: \_\_\_\_March\_\_\_\_ 25, 2005

\_\_\_\_\_/s/\_\_\_\_\_  
RON REA

6  
7  
8 Approved as to form:

9 Dated: \_\_\_\_April \_\_\_\_ 15, 2005

BEESON, TAYER & BODINE

10  
11  
12 By:\_\_\_\_\_/s/\_\_\_\_\_  
JOHN PROVOST  
Attorneys for Defendants  
VICTOR L. SHADA, Jr., RON COSTA,  
13  
14 TOBY LOUDEN, TERRY SMITH and  
15 RON REA  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28